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REAL ESTATE MARKET NEWS AND COMMENT

WHERE BIG PROFITS HAVE BEEN MADE

Slow Market Not a Hindrance to Gains for Those Who Invested Wisely.

SOME WON'T TAKE ADVANCES

Properties in All Sections of the City Show That Careful Investment Will Bring Good Return.

One of the characteristic features of New York city real estate is that it goes right on making money for its owners even though the tax rate is high, the market dull and business generally in such condition that the average merchant and trader is complaining of decreased profits. It has been said of real estate that it is not a very desirable investment because it is a slow asset, but this applies only to poorly located land, as some details of recent transactions and present conditions will pretty well show. Profits as large as ever were made are being taken out of real estate right now, and there are hundreds of properties which if sold at prices which have been offered and which still hold good would show their owners advances representing fortunes.

There is not any reason why an investor cannot make 10 per cent. on his money in real estate at this time, for there are unlimited numbers of properties on the market which will actually show that return, and even on such a basis of sale the present owners would realize profits equal in many cases to some of the large fortunes of half a century or more ago. Take as a single example some of the operators who are working in the Fourth avenue section where high class commercial buildings are being erected to house the silk and linen merchants who are moving from the old wholesale section downtown to the new uptown district.

20 PER CENT. INCOME.

Klein & Jackson leased the westerly block front from Twentieth to Twenty-first street and started the erection of a twelve story building on the Twentieth street corner and of an eight story building on the Twenty-first street end. Before starting these operations they leased the entire buildings to two large downtown establishments, both of which went into their money bags and helped finance the operations. It is estimated that Klein & Jackson will net 20 per cent. a year on their investment in this transaction, and when they sell their profits will be correspondingly large. The buyer will be able to realize a large income and as the neighborhood grows in population and importance their holdings will become so much more valuable.

That is one means that the experienced operator takes to make money. Other methods in common use have been quite as successful. Real estate speculation used to be very profitable, but during recent years owners have become educated to values and the speculator finds his field narrowed and profits harder to make. By the speculator is meant that man who sits in his office all day with his maps and price cards before him, receiving offers from brokers who compare the price of every parcel offered with prices already paid, and buys only when he is offered property at less than the market value. The speculator never does anything to help the market. He doesn't build, nor does he finance building operations. He buys at the lowest price and holds for the highest. During the boom market his profits were frequent and large, but just now he is not very active. The largest profits made to-day are

Properties Which Represent Large Profits



taken through bringing property up to its greatest producing power. This may mean either rebuilding entirely or remodeling old buildings and sometimes changing the character and use. In this branch of business the profits cannot be estimated. Still more profitable in proportion to the necessary investment is the buying and developing of vacant land. Practically all of the sales of large vacant tracts at auction net the sellers fabulous profits, while in the marketing of vacant land at private sale on the basis of home sites, the return is limited only by the desirability of the property and the ability of the owners as salesmen and the amount of money they feel disposed to spend in marketing the land.

Every part of the city has its long list of properties which have made owners, present or past, wealthy men. In Manhattan it is easiest to quote some of the great advances in the Fifth avenue section, because that has been most active in recent years. But it is not alone. For instance, there is the property at 5 and 7 Dey street, 52 feet wide and about 92 feet deep, where the *Globe* formerly had its offices. Twelve years ago that property was purchased for \$25,000. Within the last two years the owners refused \$700,000 for it, and in the recent sale they are reported to have taken considerable more. They did nothing to improve the plot.

In the Fifth avenue section profits have been much quicker. There is the northeast corner of Forty-first street, for example, which Lawrence B. Elliman of the firm of Pease & Elliman sold over the telephone three years ago for Mrs. C. E. Miller to F. V. Burton for \$375,000.

Less than twelve months ago the same broker made an offer of \$700,000 for the plot—it's only 23 by 100—and the offer was refused. The Burtons want \$1,000,000 for the lot, and they are expected to get it. The lot and old building where the present Pease & Elliman offices stand on Madison avenue north of Forty-third street was purchased by them in February, 1910, for \$130,000. Within the last month the owners of the adjoining property, identical with the other as to measurements and improvements, refused \$200,000 for his plot.

ADVANCEMENTS.
Theodore Starratt is said to have made \$30,000 profit on an investment of less than \$400,000 in one year in the purchase, improvement and sale of the property at 40 and 42 East Sixty-second street, sold recently to the American Real Estate Company, and in two years on an investment of about \$350,000 the owners of the apartment house at 118 East Fifty-eighth street cleaned up \$65,000. Roland F. Knudsen is reported to have profited to the extent of \$200,000 in five years through the purchase and resale of the northeast corner of Fifth avenue and Fortieth street. He bought the plot in expectation of housing his business there but changed his plans. Fourth avenue is another which is showing

ing its investors immense profits. The Realty Holding Company recently purchased a corner at Twenty-ninth street on which the former owners are said to have made a profit of from \$50,000 to \$60,000 in less than a year. Recent profits in The Bronx have been mentioned in connection with the sale of a lot on 19th street near Third avenue for \$50,000 which the seller purchased for \$20,000 previously at \$17,000. But greater still is the profit which might be made by J. Clarence Davies and his associates on the property which they purchased in the days of the early Bronx boom near 15th street and Melrose avenue. They paid \$70,000 for it and now they want \$700,000 on it at any time they want to.

PROFITS FROM LOT SELLING.
Developers of suburban land do not always come out with full money bags, but as a rule if they have bought acreage wisely their profits will be satisfactory. There is one instance on record of a well known local operator who took a chance on some vacant property in the Sedgwick avenue section of The Bronx. He had never operated outside of Manhattan before. He put \$50,000 into a vacant tract in June about three or four years ago, and held an auction sale on the prop-

erty in November. The sale netted him a profit of about \$90,000.

Not all the buyers at lot sales have realized profits on their buying, but some have made big profits. The case is reported of one man who bought at the Trask estate sale of lots near the Southern Boulevard in The Bronx about three years ago. He bought a corner at 15th avenue and 17th street for \$4,500 and sold it only a few months ago for \$11,500. Another buyer at this sale paid \$1,000 for inside lots and now is reselling them at \$8,000. Southern Boulevard lots near Westchester avenue that sold for \$7,000 five years ago now bring \$15,000 and lots adjoining the boulevard sell now at \$12,000 an advance of \$7,000 over the price five years ago.

Big profits in Brooklyn have been told of time and again. There is the instance of the police inspector who bought a corner at East Thirtieth street and Avenue H, paying for it in installments \$90. This was about ten years ago. Recently he sold out for \$5,200. At about the same time another man paid \$1,575 for the corner of East Fifteenth street and Avenue H. He sold for \$12,000.

It would be possible to give instances of this kind without end from all parts of the city. Experienced real estate men believe the opportunities just as good to-day for making such profits as they ever

were. In some places the chances are better, due to the growth of the city and the better means for transportation. The only requirement is the same careful selection of property as those people used who have made the gains quoted. They bought near existing or prospective transit lines or in growing residence or trade sections. When vacant land was to be had they in most cases selected corners. Finally when they had established their faith in the property, they kept it there until they had gained the profit they aimed for.

CENTRAL PARK WEST APARTMENT TRADED

Owners of the Prasada Take Long Island Property for Their 65th Street House.

DEAL FIGURED AT \$2,000,000

Charles Soosmith Sells Expensive Fifth Avenue Dwelling—Other Sales in City and Vicinity.

The Prasada Company has sold the Prasada apartment house at the southwest corner of Central Park West and Sixty-fifth street, a 12-story fireproof structure, on plot 100.5x125. The house was erected about six years ago by Samuel B. Haines from plans by Charles W. Roney, who estimated its cost at \$650,000. Shortly after its completion Mr. Haines transferred it, together with several other of his holdings to the Haines Realty Corporation, from whom the present selling company purchased it in 1909.

The present buyer of the Prasada is the Read Realty Company of which H. P. Read is the president. The company gave in part payment its holdings at Queens Manor, L. I., consisting of about 600 lots and fourteen dwellings, together with school buildings; also the property at 104 Remsen street, Brooklyn. The entire transaction involves about \$2,000,000, the Prasada figuring in the deal at \$1,250,000. The Republic of Panama holds a first mortgage of \$700,000 on this property. George E. Baldwin was the broker.

FIFTH AVENUE.—Henry D. Winans & May report the sale of the five story 20 foot English basement residence at 1033 Fifth avenue near Eighty-fifth street, for Charles Soosmith. It is the intention of the purchaser to practically rebuild the house. It was acquired by the seller through the same brokers a little over a year ago, at which time plans were drawn for a new dwelling. The lot is 125 feet deep, with a rear entrance from the street for the purpose of using the rear of lot for a garage now on the premises. The house was originally owned by the late Edward F. Hatch of Lord & Taylor, who occupied it for many years.

EAST EIGHTY-SIXTH STREET.—Duff & Conger have sold for the Yorkville Realty Company to William L. Siegman the five story apartment house, on plot 51.1x100.8, known as the Lippard, at 53 and 55 East Eighty-sixth street. The property was held at \$100,000, and adjoining the southeast corner of Madison avenue.

WEST SEVENTEENTH STREET.—Henry D. Winans & May have sold 58 West Seventeenth street, a four story and basement dwelling on lot 22x100.5, for J. B. Haggis to Herman G. Collier, who will occupy it after making extensive alterations. The house was built by John T. Farley.

WEST 143D STREET.—Frank H. Tyler has sold for John C. Althaus 407 West 143d street, a four story and basement dwelling, on lot 15x99.11.

CONVENT AVENUE.—Moore, Schutte & Co. have sold for Elizabeth P. Baker 389 Convent avenue, a three story and basement dwelling, on lot 16x50, to a client for occupancy.

WEST SIXTY-NINTH STREET.—H. C. Senior & Co. have sold for the State Banking Department the four story and basement dwelling at 112 West Sixty-ninth street, on lot 13.6x100.5, to a client for occupancy. This property is held by the Northern Bank of New York, now in liquidation.

WEST 108TH STREET.—B. Flanagan & Son have sold 67 West 108th street, a five story flat, on lot 25x109.11, for John Reis.

BRONX SALES.
FRANKLIN AVENUE.—John H. Loscam has sold for the Realty Federation of New York 1239 and 1241 Franklin avenue, a five story apartment house, on plot 50x115, to an investor.

RECENT BUYERS.
L. A. Santag is the buyer of the dwelling at 9 West Seventy-fourth street, the sale of which by William W. Hall, through L. J. Phillips & Co., was reported yesterday.

Latest Addition to Uptown Buildings



FOR MADISON AVENUE CORNER.

Proposed Building of the Johnson Syndicate Will Be 20 Stories High.

One of the most attractive buildings in the city will rise soon at the southwest corner of Madison avenue and Forty-second street. On that corner, as has already been announced, a syndicate composed of C. K. G. Billings, Anthony N. Brady, William P. Knapp and Frederick Johnson will build a twenty story office structure from plans by Buchanan & Fox. The elevation of the proposed structure is shown in the accompanying illustration.

It will be a building of the highest type of fireproof construction, the exterior of Indiana limestone on the first four stories and above that tapestry brick and ornamental terra cotta. The structure will contain nine elevators and it will have direct access to the Grand Central subway express station. The basement will be built especially high, since the owners intend to have a restaurant there. The first floor will be given to stores and the upper part to offices.

The building will extend through to Forty-first street and as a passage there will be an arcade, which will be richly treated in marble and bronze. The plot which the new structure will occupy has frontages of 100 feet on Madison avenue, 144 feet on Forty-second street and 44 feet on Forty-first street. The corner is opposite the Hotel Manhattan.

AEOLIAN LEASE SOLD.

Owner of Building Buys It Back to Re-lease Property at Higher Rate.

Pease & Elliman have sold the lease of 302 and 304 Fifth avenue for the Aeolian Company. It has been purchased by Francis Burton Harrison, the owner of the building. This property has increased tremendously in value since the lease was made and the building under the new conditions will net Mr. Harrison more than twice as much as he received under the former lease. It consists of a twelve story fireproof store and loft building on lot 50x100, now occupied entirely by the Aeolian Company. The building adjoins the Knickerbocker Trust Company and the Acker, Merrill & Condit Building and is across the street from B. Altman & Company.

This building was erected in 1902 by Flake & Dowling and was leased from the plans for the use of the Aeolian Company exclusively. Subsequently this property was sold by Flake & Dowling to Francis Burton Harrison who has since held it as an investment. Last spring Pease & Elliman sold the West Presbyterian Church at 25 West Forty-second street to the Aeolian Company, on which land they are now erecting a seventeen story building from plans by Warren & Wetmore. The lower five floors will be occupied by the Aeolian Company.

PLANS FOR CENTRAL'S HOTEL.

\$4,500,000 to Be Spent on 26 Story Building on Madison Avenue.

Plans for the twenty-six story fireproof hotel to be erected for the New York Central and Hudson River Railroad Company on the block bounded by Madison and Vanderbilt avenues, Forty-third and Forty-fourth streets, were filed yesterday with the Manhattan Bureau of Buildings by Warren & Wetmore, architects.

It will have a frontage of 200 feet on each avenue and 215.8 feet on each street, and its height will be 505 feet. It will have a facade of brick, terra cotta, limestone and granite in design similar to the other building of the company being built in the immediate vicinity. The hotel will be equipped with twelve passenger elevators, were paid yesterday with the Manhattan Bureau of Buildings by Warren & Wetmore, architects. It will be two very large banquet rooms. Underneath the hotel will be ten sets of railroad tracks, enabling passengers to have access to the hotel proper without going out upon the street, and there will be a large open court on the Vanderbilt avenue side. It will be known as the Biltmore Hotel. The cost has been estimated at \$4,500,000.

RECORD AND GUIDE QUARTERLY.

The Record and Guide Quarterly (semi-annual number) for the period of July to December, 1911 (inclusive), has just been issued. It contains a complete record of the construction and building work filed during the last half of the year 1911, besides a list of projected buildings, alterations and auction sales, as well as other valuable information.

The Dorchester, a Recent A.R.E.-Co. Purchase

